

Newsletter October 2013

TIGER FUND – TIGER VALUE FUND (FCP-SIF)

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FUND INFORMATION													
Launch date	12-Dec-08			Total Gross Exposure	93.3%			Total Long Exposure	65.4%				
AuM	€ 30 m			Total Net Exposure	37.5%			Total Short Exposure	27.9%				
	NAV*			WKN	ISIN	Bloomberg			Reuters				
Share Class A	€ 1,606.63			A0Q5LH	LU0400329677	TIGERAA LX EQUITY			LP68023199				
Share Class B	€ 1,689.48			A0RDZZ	LU0400329750	TIGERAB LX EQUITY			LP68023200				
NET PERFORMANCE METRICS						FUND PERFORMANCE vs. CS HF INDEX L/S EQUITY **							
	Return (since inception)	Return (p.a.)	Sharpe Ratio***	Volatility (p.a.)	Volatility (90 D)								
Share Class A	60.7%	10.3%	1.61x	6.3%	4.0%								
Share Class B	68.9%	11.5%	1.73x	6.5%	4.3%								
POSITIONS													
Number of Positions		Weightings (% of Gross)											
Long Positions	39	Long		Short									
Short Positions	15	Top 5		Top 10									
Total No. Positions	54	29.2%		17.6%									
		42.6%		25.3%									
MONTHLY NET RETURN													
Share Class A	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2008	-	-	-	-	-	-	-	-	-	-	-	0.003%	0.003%
2009	0.56%	1.73%	0.46%	2.87%	3.60%	5.51%	1.21%	4.35%	1.05%	0.62%	1.26%	-1.29%	24.04%
2010	0.50%	0.06%	2.22%	-0.32%	-3.08%	2.04%	0.05%	0.58%	3.25%	1.62%	0.18%	-0.41%	6.75%
2011	3.43%	-0.21%	1.47%	2.14%	0.25%	-0.81%	-1.32%	-3.41%	0.45%	-1.72%	-2.24%	0.86%	-1.31%
2012	4.48%	1.51%	1.35%	-1.68%	-1.05%	-0.37%	-0.59%	0.69%	1.85%	0.57%	-0.53%	1.44%	7.79%
2013	3.57%	1.49%	-0.66%	0.24%	2.70%	-0.67%	0.95%	0.07%	3.00%	2.66%			14.06%
Share Class B	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2008	-	-	-	-	-	-	-	-	-	-	-	0.02%	0.02%
2009	0.62%	1.87%	0.52%	3.25%	3.90%	5.95%	1.34%	4.62%	1.08%	0.70%	1.38%	-1.26%	26.51%
2010	0.57%	0.10%	2.40%	-0.28%	-3.04%	2.08%	0.05%	0.62%	3.32%	1.80%	0.19%	-0.36%	7.57%
2011	3.62%	-0.18%	1.56%	2.27%	0.21%	-0.71%	-1.28%	-3.37%	0.49%	-1.68%	-2.20%	0.90%	-0.59%
2012	4.52%	1.55%	1.39%	-1.64%	-1.01%	-0.33%	-0.54%	0.73%	1.89%	0.61%	-0.49%	1.40%	8.23%
2013	3.78%	1.62%	-0.67%	0.30%	2.91%	-0.69%	1.05%	0.11%	3.23%	2.87%			15.34%
MARKET CAPITALISATION													
	Pos. No	%Gross	Net Exp	Long	Short								
Large (>€5bn)	10	24.8%	-7.2%	8.0%	-15.2%								
Mid (>€1bn)	9	18.9%	-7.9%	4.9%	-12.8%								
Small - Mid (€500m-€1bn)	1	1.2%	1.1%	1.1%	0.0%								
Small (€50m-€500m)	27	49.3%	46.1%	46.1%	0.0%								
Micro (<€50m)	7	5.8%	5.4%	5.4%	0.0%								
Total	54	100.0%	37.5%	65.4%	-27.9%								
Geographic focus: DACH region (> 90%)													
SECTOR EXPOSURE													
	Pos. No	%Gross	Net Exp	Long	Short								
Technology	13	22.3%	15.8%	18.3%	-2.5%								
Media/Retail	8	13.1%	1.5%	6.9%	-5.4%								
Industrials/Materials	14	29.6%	13.5%	20.6%	-7.1%								
Financials/Real Estate	8	6.7%	6.3%	6.3%	0.0%								
Auto/Transport	5	16.8%	3.1%	9.4%	-6.3%								
Energy/Renewables	3	4.3%	4.0%	4.0%	0.0%								
Healthcare	1	1.0%	-0.9%	0.0%	-0.9%								
DAX / MDAX	2	6.2%	-5.8%	0.0%	-5.8%								
Total	54	100.0%	37.5%	65.4%	-27.9%								
ASSET ALLOCATION													
	Pos. No	%Gross	Net Exp	Long	Short								
Equity	41	82.2%	32.4%	54.5%	-22.2%								
Fixed Income	11	11.7%	10.9%	10.9%	0.0%								
Future	1	4.2%	-4.0%	0.0%	-4.0%								
Option	1	1.9%	-1.8%	0.0%	-1.8%								
Total	54	100.0%	37.5%	65.4%	-27.9%								
Source: TAM / EFA; *NAV daily calc. by EFA; **www.hedgeindex.com, Broad Indexes - CS Hedge Fund Index Long/Short Equity; ***TAM inhouse calculation													

Tiger Value Fund – October 2013

o **Returns: +2.66% (class A)/+2.87% (class B)**

In October, the Tiger Value Fund had a positive net return of 2.66% for share class A and 2.87% for share class B, making a cumulative net return of +14.06%/+15.34% in the year-to-date and +60.7%/+68.9% since inception (share class A/B).

o **Commentary: Cautious stance - low net adj. exposure of 26.6%**

In October we continued to reduce our net adjusted exposure from 37.9% to 26.6% (37.5% incl. 10.9% fixed income linked investments) by the end of the month. We booked profits and losses on various long positions and selectively added new single short positions as well as a 4% short position in the MDAX Future. The Fund's monthly volatility was at 6.3%/6.5% (class A and B) since inception and the daily volatility (90 days) was at 4.0%/4.3% (class A and B), down from around 5% at the beginning of the year; this compares to an average net return of 10.3%/11.5% p.a. resulting in a Sharpe ratio of 1.61x and 1.73x (class A and B).

Our key performance contributors have been Francotyp-Postalia (+76bp), Centrotec Sustainable (+68bp), Phoenix Solar (+57bp), PVA Tepla (+64bp), Bet-at-home (+24bp) and Tomorrow Focus (+23bp). Francotyp profited from a roadshow and the increased investor interest as the company's German De-Mail offer may add a double-digit amount in revenues at >30% EBIT margin in a couple of years vs. the 7.5% EBIT margin for its traditional franking machine business. Furthermore we expect Francotyp to report sound Q3 numbers mid of November. Although we are still positive on Phoenix Solar we have booked substantial profits as the stock already has rallied > 400% this year and around 275% from our entry level. We also booked nearly half of our profits in Centrotec Sustainable as the stock had spiked to more than 30%, after Germany's upper house of parliament ("Bundesrat") had passed the second directive on energy saving. Centrotec, with its brand "WOLF", is among the top 4 players for central heating boilers in Germany and will profit significantly from the new directive which will require the replacement of around 5.5m central heating boilers.

On the negative side we didn't have any significant loss making long positions > 15bp. Our single short and hedging positions burdened the Fund performance by 98bp in October.

o **Outlook: Increased signs of froth**

While we did see some increase in volatility surrounding the US debt ceiling showdown, the market was surprisingly resilient during October. The continued large liquidity injections by the Federal Reserve as well as significant asset inflows into US and European equity funds have certainly helped. Monthly equity inflows into Europe hit the highest level since 2007 in August and the inflows have continued in September and October.

Notwithstanding this market resilience there are several reasons to be cautious about further upside:

1. The recent improvement in EU PMI's have stalled in the last 2 months and Eurozone unemployment hit a record high (12.5%) and inflation fell to a post-crisis low at 0.7% last week.

2. Q3 earnings expectations for Stoxx Europe 600 (the broadest European equity index) has fallen from -4% year-on-year to -13%. Full year 2013 is now expected at -2% vs. +6% at the beginning of Q2.
3. Investor sentiment is now at record highs again signaling investor euphoria
4. According to the most recent BofA Merrill Lynch Fund Manager Survey, investors are now the most overweight European equities since 2007 with 43% overweight vs. around 10% underweight at the beginning of the year.

So while we are entering a seasonally strong period which may continue to support share prices there are increasing signs of froth in the market especially with the DAX +18.5% and Stoxx Europe 600 +15.3% despite a continued lackluster earnings trend.

Consequently we have lowered the net exposure of the Fund further to 26.6%, the lowest level of the year as we have continued to take profits on many of our long ideas and as the risk/reward ratio have become less attractive for many of these positions. Nevertheless, as before, we stand ready to benefit from any potential market volatility in the months ahead.

The Tiger Value Fund Desk, 4th November 2013



Matthias Rutsch



Marc Schädler



Peter Irlblad

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Objectives

The objective is to identify undervalued companies with external catalysts and/or initiate pro-active measures to create shareholder value. The fund aims for a 5 year return of 10-15% p.a. with strong focus on capital preservation.

Investment Strategy

The Investment Advisor is a fundamental long-short equity stock-picker. The fund seeks undervalued small and midcap companies where a number of issues, which in our opinion can be improved, are sub-optimizing the company's public market value. For each position we perform a detailed research process including a 360 degree research approach and 10 point scoring system.

The managers foresee a direct dialog with the company as well as with other shareholders to support management to initiate value creating measures. Their partner network i.e. other shareholders, consultants, sector experts, media etc. will help to impact positive change.

The fund intends to engage in 20-30 long investments with a target net long exposure of around 50%. The geographic focus is likely to be Germany, Switzerland and Austria.

Fund Information		Fee Structure and Risk Management	
Currency	EUR	Admin/Custodian Fee	Up to 0.49%
Legal Entity	FCP-SIF	Advisory (Mgmt) Fee	
Fund Domicile	Luxembourg	Share Class A	2.0%
Fund Structure	Open-ended multi-class	Share Class B	1.5%
Style mandate	Long/Short and Active Value	Performance Fee	
Investment Minimum		Share Class A	20%
Share Class A	€ 125,000	Share Class B	15%
Share Class B	€ 5,000,000	Hurdle Rate	None
Sub. Frequency	Monthly	High Water Mark	Yes
Red. Frequency	Monthly	Eligible Investors	See Issue Document
Redemption Notice		Leverage	Maximum 200% of NAV
Share Class A	3 months	Fund Benchmark	DJ CS HF Index L/S Equity
Share Class B	6 months		

Investors: Sales documents may not be forwarded to investors other than those who meet the 'experienced investor' requirements under the Law of 2007.

Fund Advisor Details and Service Providers

Investment Manager	Alceda Fund Management SA, Phone: +352 248 329-1
Investment Advisor	Tiger Asset Management GmbH
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Sub-Advisor	PHZ Privat- und Handelsbank Zürich AG
Contact	Phone: +41 43 443 71-00
Prime Broker/Custodian	SEB AB / SEB SA
Administrator	European Fund Administration SA
Auditor	PriceWaterhouseCoopers

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04 November 2013